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DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[Docket No. TTB–2014–0001]

[T.D. TTB–122; Ref: Notice No. 141]

RIN: 1513–AC03

Establishment of the Manton Valley Viticultural Area

AGENCY: Alcohol and Tobacco Tax and Trade Bureau, Treasury.

ACTION: Final rule; Treasury decision.

SUMMARY: The Alcohol and Tobacco Tax and Trade Bureau (TTB) establishes the 11,178-acre “Manton Valley” viticultural area in Shasta and Tehama Counties in northern California. The viticultural area does not lie within or contain any other established viticultural area. TTB designates viticultural areas to allow vintners to better describe the origin of their wines and to allow consumers to better identify wines they may purchase.

DATES: This final rule is effective [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Karen A. Thornton, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW, Box 12, Washington, DC 20005; phone 202–453–1039, ext. 175.

SUPPLEMENTARY INFORMATION:

Background on Viticultural Areas

TTB Authority

Section 105(e) of the Federal Alcohol Administration Act (FAA Act), 27 U.S.C. 205(e), authorizes the Secretary of the Treasury to prescribe regulations for the labeling of wine, distilled spirits, and malt beverages. The FAA Act provides that these regulations should, among other things, prohibit consumer deception and the use of misleading statements on labels and ensure that labels provide the consumer with adequate information as to the identity and quality of the product. The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers the FAA Act pursuant to section 1111(d) of the Homeland Security Act of 2002, codified at 6 U.S.C. 531(d). The Secretary has delegated various authorities through Treasury Department Order 120–01 (Revised), dated December 10, 2013, to the TTB Administrator to perform the functions and duties in the administration and enforcement of this law.

Part 4 of the TTB regulations (27 CFR part 4) authorizes the establishment of definitive viticultural areas and the use of their names as appellations of origin on wine labels and in wine advertisements. Part 9 of the TTB regulations (27 CFR part 9) sets forth the standards for the preparation and submission of petitions for the establishment or modification of American viticultural areas (AVAs) and lists the approved AVAs.

Definition

Section 4.25(e)(1)(i) of the TTB regulations (27 CFR 4.25(e)(1)(i)) defines a viticultural area for American wine as a delimited grape-growing region having distinguishing features, as described in part 9 of the regulations, and a name and a delineated boundary, as established in part 9 of the regulations. These designations allow vintners and consumers to attribute a given quality, reputation, or other characteristic of a wine made from grapes grown in an area to the wine's geographic origin. The establishment of AVAs allows vintners to describe more accurately the origin of their wines to consumers and helps consumers to identify wines they may purchase. Establishment of an AVA is neither an approval nor an endorsement by TTB of the wine produced in that area.

Requirements

Section 4.25(e)(2) of the TTB regulations (27 CFR 4.25(e)(2)) outlines the procedure for proposing an AVA and provides that any interested party may petition TTB to establish a grape-growing region as an AVA. Section 9.12 of the TTB regulations (27 CFR 9.12) prescribes standards for petitions for the establishment of AVAs. Petitions to establish an AVA must include the following:

- Evidence that the area within the proposed AVA boundary is nationally or locally known by the AVA name specified in the petition;
- An explanation of the basis for defining the boundary of the proposed AVA;

- A narrative description of the features of the proposed AVA that affect viticulture, such as climate, geology, soils, physical features, and elevation, that make the proposed AVA distinctive and distinguish it from adjacent areas outside the proposed AVA boundary;
- The appropriate United States Geological Survey (USGS) map(s) showing the location of the proposed AVA, with the boundary of the proposed AVA clearly drawn thereon; and
- A detailed narrative description of the proposed AVA boundary based on USGS map markings.

Manton Valley Petition

TTB received a petition from Mark Livingston, of Cedar Crest Vineyards, on behalf of Cedar Crest Vineyards and other vineyard and winery owners in Manton, California, proposing the establishment of the 11,178-acre “Manton Valley” AVA in portions of Shasta and Tehama Counties in northern California. Eleven commercial vineyards, covering approximately 200 acres, are distributed across the proposed AVA. The proposed AVA also has six bonded wineries. The proposed AVA is not located within any other AVA.

According to the petition, the distinguishing features of the proposed Manton Valley AVA are its topography, climate, and soils. The proposed AVA is stream-cut valley with a flat-to-gently-rolling floor and slope angles ranging from 0 to 30 percent and elevations between 2,000 and 3,500 feet. The moderately warm daytime temperatures within the proposed AVA are suitable for growing warmer varieties of grapes such as Merlot, Cabernet Sauvignon, and Zinfandel.

At night, the temperature within the proposed AVA drops lower than in the surrounding regions, giving the proposed AVA an average diurnal temperature difference of 38.3 degrees at the peak of the growing season. The annual rainfall amount within the proposed AVA is a moderate 33.65 inches, with most rainfall occurring outside the growing season. Finally, the soils within the proposed AVA are comprised primarily of volcanic ash and weathered volcanic rock and are mainly Cohasset gravelly loams, Forward sandy loams, and Manton sandy loams.

To the north of the proposed Manton Valley AVA, the terrain is steeper and elevations are higher. Daytime temperatures are similar to those of the proposed AVA, but the nighttime temperatures are higher, resulting in a lower diurnal temperature difference. Rainfall amounts are higher north of the proposed AVA, and the soils are predominately Windy and McCarthy stony loams. To the east of the proposed AVA, elevations are higher and slope angles are greater. The growing season temperatures are significantly cooler, and rainfall amounts are higher. Soils east of the proposed AVA are very shallow and stony and are predominately of the Sheld series. To the south of the proposed AVA, elevations are lower and slope angles are greater. Growing season temperatures are significantly higher than within the proposed AVA. The soils south of the proposed AVA are of the Supan and Toomes series, which are excessively stony and are primarily used for grazing livestock. The region to the west of the proposed AVA is characterized by low elevations and large plateaus. Temperatures in the region are significantly warmer than within the proposed

AVA, and there is less rainfall. Soils west of the proposed AVA are mainly of the Guenoc and Toomes series, which are excessively stony and lacking in nutrients.

Notice of Proposed Rulemaking and Comments Received

TTB published Notice No. 141 in the **Federal Register** on January 14, 2014 (79 FR 2399), proposing to establish the Manton Valley AVA. In the notice, TTB summarized the evidence from the petition regarding the name, boundary, and distinguishing features for the proposed AVA. For a description of the evidence relating to the name, boundary, and distinguishing features of the proposed Manton Valley AVA, and for a comparison of the distinguishing features of the proposed AVA to the surrounding areas, see Notice No. 141.

In Notice No. 141, TTB solicited comments on the accuracy of the name, boundary, climatic, and other required information submitted in support of the petition. The comment period closed on March 17, 2014.

In response to Notice No. 141, TTB received a total of six comments, all of which supported the establishment of the Manton Valley AVA. The commenters included a local farm owner who previously worked at a local vineyard, a local vineyard owner, a geographer at Eastern Illinois University who has studied the geology and geography of the region of the proposed AVA, a winery owner who consults with a local winery, and two individuals who listed no affiliation. The comments did not raise any new issues concerning the proposed AVA. TTB received no comments opposing the Manton Valley AVA as proposed.

TTB Determination

After careful review of the petition and the comments received in response to Notice No. 141, TTB finds that the soil, climate, and topography evidence provided by the petitioner sufficiently distinguishes the proposed Manton Valley AVA from the surrounding regions. Accordingly, under the authority of the FAA Act, section 1111(d) of the Homeland Security Act of 2002, and part 4 of the TTB regulations, TTB establishes the 11,178-acre “Manton Valley” AVA in portions of Shasta and Tehama Counties, California, effective 30 days from the publication date of this document.

In the regulatory text of this final rule, TTB is also correcting a typographical error that occurred in the publication of the proposed rule. In paragraph (c)(7) of the regulatory text, the phrase “proceed westerly on Rock Creek Road,” which appeared in the proposed rule, has been corrected in this final rule to read “proceed easterly on Rock Creek Road.” No other changes have been made to the regulatory text.

Boundary Description

See the narrative description of the boundary of the AVA in the regulatory text published at the end of this final rule.

Maps

The petitioner provided the required maps, and they are listed below in the regulatory text.

Impact on Current Wine Labels

Part 4 of the TTB regulations prohibits any label reference on a wine that indicates or implies an origin other than the wine's true place of origin. For a wine to be labeled with an AVA name or with a brand name that includes an AVA name, at least 85 percent of the wine must be derived from grapes grown within the area represented by that name, and the wine must meet the other conditions listed in § 4.25(e)(3) of the TTB regulations (27 CFR 4.25(e)(3)). If the wine is not eligible for labeling with an AVA name and that name appears in the brand name, then the label is not in compliance, and the bottler must change the brand name and obtain approval of a new label. Similarly, if the AVA name appears in another reference on the label in a misleading manner, the bottler would have to obtain approval of a new label. Different rules apply if a wine has a brand name containing an AVA name that was used as a brand name on a label approved before July 7, 1986. See § 4.39(i)(2) of the TTB regulations (27 CFR 4.39(i)(2)) for details.

With the establishment of this AVA, its name, “Manton Valley,” will be recognized as a name of viticultural significance under § 4.39(i)(3) of the TTB regulations (27 CFR 4.39(i)(3)). The text of the regulation clarifies this point. Once this final rule becomes effective, wine bottlers using the name “Manton Valley” in a brand name, including a trademark, or in another label reference as to the origin of the wine, will have to ensure that the product is eligible to use the AVA name as an appellation of origin.

The establishment of the Manton Valley AVA will not affect any existing AVA. The establishment of the Manton Valley AVA will allow vintners to use “Manton Valley” as an appellation of origin for wines made from grapes grown within the Manton Valley AVA if the wines meet the eligibility requirements for the appellation.

Regulatory Flexibility Act

TTB certifies that this regulation will not have a significant economic impact on a substantial number of small entities. The regulation imposes no new reporting, recordkeeping, or other administrative requirement. Any benefit derived from the use of an AVA name would be the result of a proprietor’s efforts and consumer acceptance of wines from that area. Therefore, no regulatory flexibility analysis is required.

Executive Order 12866

It has been determined that this rule is not a significant regulatory action as defined by Executive Order 12866 of September 30, 1993. Therefore, no regulatory assessment is required.

Drafting Information

Karen A. Thornton of the Regulations and Rulings Division drafted this final rule.

List of Subjects in 27 CFR Part 9

Wine.

The Regulatory Amendment

For the reasons discussed in the preamble, TTB amends title 27, chapter I, part 9, Code of Federal Regulations, as follows:

PART 9—AMERICAN VITICULTURAL AREAS

1. The authority citation for part 9 continues to read as follows:

Authority: 27 U.S.C. 205.

Subpart C—Approved American Viticultural Areas

2. Subpart C is amended by adding § 9.236 to read as follows:

§ 9.236 Manton Valley.

(a) Name. The name of the viticultural area described in this section is “Manton Valley”. For purposes of part 4 of this chapter, “Manton Valley” is a term of viticultural significance.

(b) Approved maps. The three United States Geological Survey (USGS) 1:24,000 scale topographic maps used to determine the boundary of the Manton Valley viticultural area are titled:

- (1) Manton, CA, 1995;
- (2) Shingletown, CA, 1985 (provisional); and
- (3) Grays Peak, CA, 1995.

(c) Boundary. The Manton Valley viticultural area is located in Shasta and Tehama Counties in northern California. The boundary of the Manton Valley viticultural area is as described below:

- (1) The beginning point is on the Manton map, in the community of Manton, at the intersection of three unnamed light-duty roads known locally as

Manton Road, Forward Road, and Rock Creek Road, section 21, T30N/R1E.

From the beginning point, proceed northerly, then northeasterly on Rock Creek Road approximately 0.8 mile to the road's intersection with an unnamed light-duty road known locally as Wilson Hill Road, section 21, T30N/R1E; then

(2) Proceed westerly, then northerly on Wilson Hill Road, crossing onto the Shingletown map, then continue westerly, then northerly, then northeasterly on the turning Wilson Hill Road, approximately 4 miles in total distance, to the road's intersection with the marked power line in section 8, T30N/R1E; then

(3) Proceed east-southeasterly along the marked power line, crossing onto the Manton map, approximately 1.1 miles to the power line's intersection with the Volta Powerhouse, section 16, T30N/R1E; then

(4) From the Volta Powerhouse, proceed south-southeasterly (downstream) along an aqueduct and penstock, approximately 0.7 mile in total distance, to the penstock's intersection with the North Fork of Battle Creek, section 16, T30N/R1E; then

(5) Proceed north-northeasterly (upstream) along the North Fork of Battle Creek approximately 0.3 mile to the confluence of Bailey Creek, section 15, T30N/R1E; then

(6) Proceed east-northeasterly (upstream) along Bailey Creek approximately 2 miles to the creek's intersection with an unnamed light-duty road known locally as Manton Ponderosa Way, section 11; T30N/R1E; then

(7) Proceed southeasterly along Manton Ponderosa Way approximately 1.8 miles to the road's intersection with Rock Creek Road, and then proceed

easterly on Rock Creek Road approximately 0.05 mile to the road's intersection with an unnamed light-duty road known locally as Forwards Mill Road, section 19, T30N/R2E; then

(8) Proceed easterly along Forwards Mill Road approximately 4.5 miles, crossing onto the Grays Peak map, to the road's intersection with an unnamed light-duty road known locally as Forward Road, section 26, T30N/R2E; then

(9) Proceed generally westerly along Forward Road approximately 4.8 miles, crossing onto the Manton map, to the road's intersection with an unnamed light-duty road known locally as Ponderosa Way, section 31, T30N/R2E; then

(10) Proceed southerly along Ponderosa Way approximately 1.7 miles to the road's intersection with an unimproved road (Pacific Gas and Electric service road, approximately 0.25 mile west-southwest of Bluff Springs), section 1, T29N/R1E; then

(11) Proceed westerly along the unimproved road approximately 2.2 miles to the road's intersection with the South Battle Creek Canal, section 3, T29N/R1E; then

(12) Proceed generally northwesterly (downstream) along the meandering South Battle Creek Canal approximately 1.3 miles to the canal's intersection with an unimproved road known locally as South Powerhouse Road, section 4, T29N/R1E; then

(13) Proceed northerly along South Powerhouse Road approximately 2 miles to the road's intersection with an unnamed light-duty road known locally as Manton Road, section 21, T30N/R1E; then

(14) Proceed easterly along Manton Road approximately 0.1 mile, returning to the beginning point.

Signed: June 23, 2014.

John J. Manfreda,

Administrator.

Approved: June 23, 2014.

Timothy E. Skud,

Deputy Assistant Secretary
(Tax, Trade, and Tariff Policy).

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